

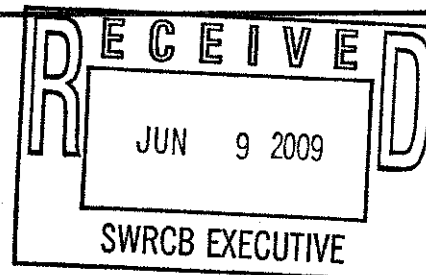


California Stormwater Quality Association™

Dedicated to the Advancement of Stormwater Quality Management, Science and Regulation

June 10, 2009

Mr. Ahmad Koshkali
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814



Subject: Proposed item to clarify implementation of the American Recovery and Reinvestment Act (ARRA) Subsidy Funds for Clean Water State Revolving Fund (CWSRF) projects

Dear Mr. Koshkali:

Thank you for this opportunity to comment on the proposal to clarify implementation of the American Recovery and Reinvestment Act (ARRA) Subsidy Funds¹ for Clean Water State Revolving Fund (CWSRF) projects. Please accept these comments submitted by the California Stormwater Quality Association (CASQA)² on behalf of its members.

CASQA has previously commented and testified on funding for stormwater quality, including most recently on the Proposition 84 Storm Water Grant Program Guidelines, as well as on the State Water Board's March 17, 2009 Resolution to implement federal economic recovery legislation for the CWSRF Program (Resolution No. 2009-0027). At that State Water Board meeting, we expressed our understanding of the Board's decision to allocate one-half of the Subsidy Funds to projects that lost previously committed state grant funding (Restart Projects), and the other one-half of the Subsidy Funds to Disadvantaged Community (DAC) Wastewater projects. We also reiterated the significant disparity between the identification of stormwater as one of the largest sources of water pollution, if not the largest, and the general lack of funding made available to address this source, especially relative to the funding made available to other sources.

We also understand that under Resolution No. 2009-0027, starting May 17, 2009, Subsidy Funds not allocated to Restart Projects would be available for new Expanded Use Projects (i.e., non-point source, estuary, and stormwater projects eligible for CWSRF funding). Resolution No. 2009-0027 also authorized up to 15 percent of the total \$280 million available in ARRA funds [\$42 million (the Additional 15 Percent)] to be allocated to the DAC or Restart Project categories as Subsidy Funds at the discretion of the Executive Director in consultation with the State Water Board Chair and Vice-Chair. Following are CASQA's specific comments on implementation of the ARRA Subsidy Funds.

¹ Subsidy Funds are defined by the State Water Board as funds to provide principal forgiveness, negative interest rates, or grants; and are equal to one-half of the \$280 million available in ARRA funds; the other \$140 million being available as loans.

² CASQA is composed of stormwater quality management organizations and individuals, including cities, counties, special districts, industries, and consulting firms throughout California. Our membership provides stormwater quality management services to over 26 million people in California and includes most every Phase I and many Phase II municipal programs in the State. CASQA was formed in 1989 to recommend approaches for stormwater quality management to the State Water Resources Control Board.

Issue 1: Whether to use the Additional 15 Percent for new Expanded Use or DAC Wastewater Projects

For this issue, staff is presenting three options for ways to allocate the potential Additional 15 Percent ARRA funds. The net result of the three options, in combination with the Board's earlier distributions of ARRA funds as contained in Resolution No. 2009-0027, would be as follows:

Options	New Expanded Use (non-point source, estuary, and stormwater) projects	DAC Wastewater projects
Option 1A	\$24 million	\$91 million
Option 1B	\$45 million	\$70 million
Option 1C	\$3 million	\$112 million

CASQA strongly recommends Option 1B: Allocate Additional 15 Percent as Subsidy Funds to new Expanded Use CWSRF Projects. As the above table illustrates, Option 1B results in the most equitable distribution of funds. Additionally, stormwater is just one of the three project types listed under New Expanded Use so in reality, stormwater quality projects will receive a fraction of any funds made available to New Expanded Use projects. The State's most significant source of water pollution deserves an equitable and significant share of the available funding.

We thank you again for the opportunity to submit these comments. If you have questions regarding our comments or recommendations please contact me or our Executive Director, Geoff Brosseau at 650-365-8620.

Very truly yours,



Chris Crompton, Chair
California Stormwater Quality Association

cc: Charlie Hoppin, Chair, State Water Board
Frances Spivy-Weber, Vice-Chair, State Water Board
Dorothy Rice, Executive Director, State Water Board
Tom Howard, Chief Deputy Director, State Water Board
Jonathan Bishop, Chief Deputy Director, State Water Board
Bruce Fujimoto, Section Chief-Stormwater, State Water Board
CASQA Executive Program Committee
CASQA Board of Directors